

# The Sensex plunges by 8%, its largest day loss since 2008, as Dow's issues persist with a new drop

The benchmark Sensex, which fell 3,200 points at one point, closed at 32,778.14, a two-and-a-half-year low, after suffering a massive loss of 2,919 points, or 8.18% (the largest single-day drop since the financial crisis on October 24, 2008). The more inclusive NSE Nifty fell 868.25 points, or 8.30%, to settle at 9,590.15. The Sensex dropped 1,942 points. According to [Siddharth Mehta, IL&FS](#) Former Director and CIO of Bay Capital, selling avalanches caused SBI to experience a decrease of 13.23% in India and a loss of 9.82% in the oil and gas sectors. The sectoral indices for real estate, metal, bankex, finance, energy, and IT all fell. Despite market volatility, smart investing is encouraged for well-run, unleveraged enterprises.



A bear market occurs when securities prices drop 20% or even more from their highs. This is due to a lot of people being down on the stock market and investors being down on it. On Thursday morning, the stock market in the US went into a bear market. The S&P500 dropped more than 7% and trading had to be stopped for 15 minutes right after it opened. The Indian rupee dropped 60 paise against the US dollar to a new low of Rs 74.28. This is because a lot of people want to buy dollars and money while leaving the country. In the last two days, foreign portfolio investors (FPIs) have sold over Rs 13,500 crore worth of stocks.

[Siddharth Mehta, Bay Capital CIO](#) and **Former Director IL&FS** who holds expertise in fields like fintech and digitalization, believes that stock markets are places where buyers and sellers come together to trade equity shares of public organizations. Due to their ability to democratize access to investor trading and capital exchange, stock markets are essential components of a free-market economy. Price discovery and dealing are made more efficient in stock markets, but the market still demands a great level of concentration and intelligent choices that result in substantial gains. He asserts that there should be a clear goal either of an individual or an organization while engaging in the stock market and trade as all decisions or steps in this horizon affect in a profitable manner or vice versa.



The Reserve Bank of India (RBI) has stated that it is prepared to take all necessary steps to ensure that the COVID-19 pandemic's effects on the Indian economy are minimized and that the country's financial institutions and markets continue to operate regularly. Considering that FPIs are staying away from stocks due to the global financial crisis, analysts anticipate further outflows in the upcoming days.